

BOARD BILL # 326 INTRODUCED BY ALDERWOMAN MARLENE DAVIS

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE REO LOFTS REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE REO LOFTS SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the “TIF Act”), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

1 **WHEREAS**, staff and consultants of the City and Midtown TIF Company, Inc., a
2 Missouri corporation (the “Developer”), prepared a plan for redevelopment titled the
3 “REO Lofts TIF Redevelopment Plan” dated September 23, 2008 (the “Redevelopment
4 Plan”), for an area consisting of three tax parcels located in City Blocks 1021 and 1022
5 which parcels are commonly known and numbered as 3141-47 Locust and 3144 Locust
6 (the “Redevelopment Area” or “Area”), which Redevelopment Area is more fully
7 described in the Redevelopment Plan, attached hereto and incorporated herein as
8 **Exhibit A**; and

9 **WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment
10 Area by rehabilitation and redevelopment of the building in the Redevelopment Area into
11 commercial and residential space and related parking, as set forth in the Redevelopment
12 Plan (the “Redevelopment Project,” or “TIF Project”); and

13 **WHEREAS**, on November 7, 2008, after all proper notice was given, the TIF
14 Commission held a public hearing in conformance with the TIF Act and received
15 comments from all interested persons and taxing districts relative to the Redevelopment
16 Area, the Redevelopment Plan, and the Redevelopment Project; and

17 **WHEREAS**, on November 7, 2008, the TIF Commission found that completion
18 of the Redevelopment Project would provide a substantial and significant public benefit
19 through the elimination of blighting conditions, the creation of new jobs in the City,
20 increased property values and tax revenues, preservation of historic structures,
21 stabilization of the Redevelopment Area, facilitation of the economic stability of the City
22 as a whole, and further found that without the assistance of tax increment financing in

1 accordance with the TIF Act, the Redevelopment Project is not financially feasible and
2 would not otherwise be completed; and

3 **WHEREAS**, on November 7, 2008, the TIF Commission voted to recommend
4 that the Board of Aldermen adopt an ordinance in the form required by the Act (i)
5 adopting tax increment financing within the Redevelopment Area, (ii) approving the
6 Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a
7 “redevelopment area” as provided in the Act, (iv) approving the Redevelopment Project
8 as described within the Redevelopment Plan, and (v) approving the issuance of one or
9 more tax increment financing revenue notes in the amount as specified in the
10 Redevelopment Plan; and

11 **WHEREAS**, the Developer has demonstrated that the Redevelopment Project
12 would not reasonably be anticipated to be developed without the adoption of tax
13 increment financing and, therefore, redevelopment of the Redevelopment Area in
14 accordance with the Redevelopment Plan is not feasible and would not otherwise be
15 completed; and

16 **WHEREAS**, the Board of Aldermen has received the recommendations of the
17 TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and
18 finds that it is desirable and in the best interests of the City to designate the
19 Redevelopment Area as a “redevelopment area” as provided in the TIF Act, adopt the
20 Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the
21 redevelopment of the Redevelopment Area; and

1 **WHEREAS**, the Redevelopment Area qualifies for the use of tax increment
2 financing to alleviate the conditions that qualify it as a “blighted area” as provided in the
3 TIF Act and as set forth herein; and

4 **WHEREAS**, the property constituting the Redevelopment Area is underutilized
5 and predominantly vacant, thus discouraging investment and encouraging crime and
6 vagrancy, and the Redevelopment Area represents a social and economic liability to the
7 City, and

8 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
9 approve the Redevelopment Project to allow the rehabilitation of the building in the
10 Redevelopment Area into commercial and residential space; and

11 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
12 adopt tax increment allocation financing within the Redevelopment Area and to establish
13 a special allocation fund for the Redevelopment Area in order to provide for the
14 promotion of the general welfare through redevelopment of the Redevelopment Area in
15 accordance with the Redevelopment Plan which redevelopment includes, but is not
16 limited to, assistance in the physical, economic, and social development of the City of St.
17 Louis, providing for a stabilized population and plan for the optimal growth of the City of
18 St. Louis, encouragement of a sense of community identity, safety and civic pride, and
19 the elimination of impediments to land disposition and development in the City of St.
20 Louis.

21 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

22 **SECTION ONE.** The Board of Aldermen hereby makes the following
23 findings:

1 A. The Redevelopment Area on the whole is a “blighted area”, as defined in
2 Section 99.805 of the TIF Act, and has not been subject to growth and development
3 through investment by private enterprise and would not reasonably be anticipated to be
4 developed without the adoption of tax increment financing. This finding includes, the
5 Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by
6 reference: (i) a detailed description of the factors that qualify the Redevelopment Area as
7 a “blighted area” and (ii) an affidavit, signed by the Developer and submitted with the
8 Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act
9 have been met, which description and affidavit are incorporated herein as if set forth
10 herein.

11 B. The Redevelopment Plan conforms to the comprehensive plan for the
12 development of the City as a whole.

13 C. In accordance with the TIF Act, the Redevelopment Plan states the
14 estimated dates of completion of the Redevelopment Project and retirement of the
15 financial obligations issued to pay for certain redevelopment project costs and these dates
16 are twenty three (23) years or less from the date of approval of the Redevelopment
17 Project.

18 D. A plan has been developed for relocation assistance for businesses and
19 residences as set forth in Ordinance No. 62481 adopted December 20, 1991.

20 E. A cost-benefit analysis showing the economic impact of the
21 Redevelopment Plan on each taxing district which is at least partially within the
22 boundaries of the Redevelopment Area is on file with the St. Louis Development
23 Corporation, which cost-benefit analysis shows the impact on the economy if the

1 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to
2 the Redevelopment Plan.

3 F. Redevelopment of the Redevelopment Area in accordance with the
4 Redevelopment Plan is not financially feasible without the assistance of tax increment
5 financing and would not otherwise be completed.

6 G. The Redevelopment Plan does not include the initial development or
7 redevelopment of any “gambling establishment” as that term is defined in Section
8 99.805(6) of the TIF Act.

9 H. The Redevelopment Area includes only those parcels of real property and
10 improvements thereon directly and substantially benefited by the proposed
11 Redevelopment Project.

12 **SECTION TWO.** The Redevelopment Area described in the Redevelopment
13 Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of
14 the TIF Act.

15 **SECTION THREE.** The Redevelopment Plan as reviewed and recommended
16 by the TIF Commission on November 7, 2008, including amendments thereto, if any, and
17 the Redevelopment Project described in the Redevelopment Plan are hereby adopted and
18 approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and
19 incorporated herein by reference.

20 **SECTION FOUR.** There is hereby created and ordered to be established within
21 the treasury of the City a separate fund to be known as the “REO Lofts Special Allocation
22 Fund.” To the extent permitted by law and except as otherwise provided in the
23 Redevelopment Plan, the City hereby pledges funds in the REO Lofts Special Allocation

1 Fund for the payment of redevelopment project costs and obligations incurred in the
2 payment thereof.

3 **SECTION FIVE.** Tax increment allocation financing is hereby adopted within
4 the Redevelopment Area. After the total equalized assessed valuation of the taxable real
5 property in the Redevelopment Area exceeds the certified total initial equalized assessed
6 valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes,
7 and payments in lieu of taxes, if any, arising from the levies upon taxable real property in
8 the Redevelopment Area by taxing districts and tax rates determined in the manner
9 provided in Section 99.855.2 of the TIF Act each year after the effective date of this
10 Ordinance until redevelopment costs have been paid shall be divided as follows:

11 A. That portion of taxes, penalties and interest levied upon each taxable lot,
12 block, tract, or parcel of real property which is attributable to the initial equalized
13 assessed value of each such taxable lot, block, tract, or parcel of real property in the area
14 selected for the Redevelopment Project shall be allocated to and, when collected, shall be
15 paid by the City Collector to the respective affected taxing districts in the manner
16 required by law in the absence of the adoption of tax increment allocation financing;

17 B. Payments in lieu of taxes attributable to the increase in the current
18 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in
19 the area selected for the Redevelopment Project and any applicable penalty and interest
20 over and above the initial equalized assessed value of each such unit of property in the
21 area selected for the Redevelopment Project shall be allocated to and, when collected,
22 shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into
23 the REO Lofts Special Allocation Fund for the purpose of paying redevelopment costs

1 and obligations incurred in the payment thereof. Payments in lieu of taxes which are due
2 and owing shall constitute a lien against the real estate of the Redevelopment Project
3 from which they are derived and shall be collected in the same manner as the real
4 property tax, including the assessment of penalties and interest where applicable.

5 **SECTION SIX.** In addition to the payments in lieu of taxes described in Section
6 Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes,
7 penalties and interest which are imposed by the City or other taxing districts, and which
8 are generated by economic activities within the area of the Redevelopment Project over
9 the amount of such taxes generated by economic activities within the area of the
10 Redevelopment Project in the calendar year prior to the adoption of the Redevelopment
11 Project by ordinance, while tax increment financing remains in effect, but excluding
12 personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
13 transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the
14 Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public
15 transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as
16 amended, licenses, fees or special assessments other than payments in lieu of taxes and
17 penalties and interest thereon, shall be allocated to, and paid by the collecting officer to
18 the City Treasurer or other designated financial officer of the City, who shall deposit such
19 funds in a separate segregated account within the REO Lofts Special Allocation Fund.

20 **SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter
21 into agreements or contracts with other taxing districts as is necessary to ensure the
22 allocation and collection of the taxes and payments in lieu of taxes described in Sections
23 Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of

1 taxes into the REO Lofts Special Allocation Fund for the payment of redevelopment
2 project costs and obligations incurred in the payment thereof, all in accordance with the
3 TIF Act.

4 **SECTION EIGHT.** The City Register is hereby directed to submit a certified
5 copy of this Ordinance to the City Assessor, who is directed to determine the total
6 equalized assessed value of all taxable real property within the Redevelopment Area as of
7 the date of this Ordinance, by adding together the most recently ascertained equalized
8 assessed value of each taxable lot, block, tract or parcel of real property within the
9 Redevelopment Area, and shall certify such amount as the total initial equalized assessed
10 value of the taxable real property within the Redevelopment Area.

11 **SECTION NINE.** The Mayor and Comptroller of the City or their designated
12 representatives are hereby authorized and directed to take any and all actions as may be
13 necessary and appropriate in order to carry out the matters herein authorized, with no
14 such further action of the Board of Aldermen necessary to authorize such action by the
15 Mayor and the Comptroller or their designated representatives.

16 **SECTION TEN.** The Mayor and the Comptroller or their designated
17 representatives, with the advice and concurrence of the City Counselor and after approval
18 by the Board of Estimate and Apportionment, are hereby further authorized and directed
19 to make any changes to the documents, agreements and instruments approved and
20 authorized by this Ordinance as may be consistent with the intent of this Ordinance and
21 necessary and appropriate in order to carry out the matters herein authorized, with no
22 such further action of the Board of Aldermen necessary to authorize such changes by the
23 Mayor and the Comptroller or their designated representatives.

1 **SECTION ELEVEN.** It is hereby declared to be the intention of the Board of
2 Aldermen that each and every part, section and subsection of this Ordinance shall be
3 separate and severable from each and every other part, section and subsection hereof and
4 that the Board of Aldermen intends to adopt each said part, section and subsection
5 separately and independently of any other part, section and subsection. In the event that
6 any part, section or subsection of this Ordinance shall be determined to be or to have
7 been unlawful or unconstitutional, the remaining parts, sections and subsections shall be
8 and remain in full force and effect, unless the court making such finding shall determine
9 that the valid portions standing alone are incomplete and are incapable of being executed
10 in accord with the legislative intent.

11 **SECTION TWELVE.** After adoption of this Ordinance by the Board of
12 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the
13 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the
14 effective date of an ordinance authorizing the City to enter into a redevelopment
15 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or
16 designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to
17 the City in accordance with the terms of the redevelopment agreement, the provisions of
18 this Ordinance shall be deemed null and void and of no effect and all rights conferred by
19 this Ordinance on Developer, shall terminate, *provided further*, however, that prior to any
20 such termination the Developer may seek an extension of time in which to execute the
21 Redevelopment Agreement, which extension may be granted in the sole discretion of the
22 Board of Estimate and Apportionment of the City of St. Louis.

23 401473

EXHIBIT A

REO LOFTS TIF REDEVELOPMENT PLAN